

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS  
CORPORATION,

Respondent.

DOCKET UG-240008

**EXHIBIT BGM-3  
REVENUE REQUIREMENT CALCULATION**

## Natural Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Cascade Filed @ AWEC RoR			AWEC Proposed		
			Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)
1	ROO	<b>Results of Operations</b>	<b>32,434</b>	<b>583,521</b>	<b>12,040</b>	<b>\$32,434</b>	<b>583,521</b>	<b>12,040</b>
<i>Restating Adjustments:</i>								
2	R-1	Remove Supplemental Schedules Adjustment	252	-	(336)	252	-	(336)
3	R-2	Normalize Revenue Adjustment	(1,333)	-	1,774	(1,333)	-	1,774
4	R-3	Restate End of Period Adjustment	(630)	35,820	4,229	(630)	35,820	4,229
5	R-4	Annualized CRM Adjustment	1,376	-	(1,832)	1,376	-	(1,832)
6	R-5	Promotional Advertising Adjustment	29	-	(38)	29	-	(38)
7	R-6	Restate Wages Adjustment	(76)	-	101	(76)	-	101
8	R-7	Restate Incentives Adjustment	2,022	-	(2,692)	2,022	-	(2,692)
9	R-8	Director & Officers Adjustment	127	-	(169)	252	-	(336)
10	R-9	Restate COVID-19 Deferral Offsets Adjustment	(1,142)	-	1,520	(1,142)	-	1,520
11	R-10	Restate CCA Labor Expense Adjustment	(54)	-	72	(54)	-	72
12	R-11	Restate Commission Fees Adjustment	(288)	-	384	(288)	-	384
13	R-12	Legal Expenses	-	-	-	304	-	(404)
<i>Sub-total Restating</i>			<i>283</i>	<i>35,820</i>	<i>3,013</i>	<i>713</i>	<i>35,820</i>	<i>2,441</i>
<i>Rate Year 1 PF Adjustments:</i>								
14	P-1	Interest Coordination Adjustment	(983)	-	1,309	(983)	-	1,309
15	P-2	2024 Pro Forma Wage Adjustment	(1,207)	-	1,606	(85)	-	113
16	P-3	MAOP Deferral Amortization	(1,594)	-	2,123	(1,594)	-	2,123
17	P-4	Pro Forma Rate Case Expense Adjustment	(1,044)	-	1,390	101	-	(135)
18	P-5	Pro Forma Medical, Dental, & Life Insurance E	(840)	-	1,118	(840)	-	1,118
19	P-6	Pro Forma Property Tax Adjustment	(159)	-	212	(159)	-	212
20	P-7	2024 Pro Forma Pension Expense Adjustment	(653)	523	918	(137)	523	232
21	P-8	2024 Pro Forma Tax Flow-Through Adjustment	(9)	-	12	(9)	-	12
22	P-9	2024 Pro Forma Misc. O&M Expense Adjustm	(173)	-	230	(20)	-	27
23	PR- 1	2024 Provisional Plant Additions	(3,201)	104,551	14,156	(1,918)	18,016	4,259
24	PR - 2	2024 Offsets to Provisional Plant Additions	1,411	-	(1,879)	1,411	-	(1,879)
<i>Sub-total Pro Forma Year 1</i>			<i>(8,452)</i>	<i>105,074</i>	<i>21,197</i>	<i>(4,234)</i>	<i>18,540</i>	<i>7,391</i>
<b>Total Rate Year 1</b>			<b>24,265</b>	<b>724,415</b>	<b>36,249</b>	<b>28,913</b>	<b>637,881</b>	<b>21,872</b>
<i>Rate Year 2 PF Adjustments:</i>								
25	RY2-X	<i>Rate Year 1 Revenue Increase</i>	(24,265)	(724,415)	(36,249)	(28,913)	(637,881)	(21,872)
26	PR - 3	2025 Provisional Plant Additions	(3,217)	68,185	10,736	(3,217)	68,185	10,736
27	PR - 4	2025 Offsets to Provisional Plant Additions	1,897	-	(2,526)	3,573	(63,029)	(10,722)
28	PR - 5	2025 Pro Forma Wage Adjustment	(802)	-	1,068	(353)	-	470
29	PR - 6	2025 Pro Forma Pension Expense Adjustment	(765)	(635)	958	(161)	(635)	154
30	PR - 7	2025 Pro Forma 401K Expense Adjustment	(96)	-	127	(96)	-	127
31	PR - 8	2025 Pro Forma Tax Flow-Through Adjustment	2	-	(2)	2	-	(2)
32	PR - 9	2025 Pro Forma Decarbonization Testing & Der	(277)	-	368	(277)	-	368
33	PR - 10	2025 Pro Forma Misc. O&M Expense Adjustm	(175)	-	233	(20)	-	27
34	<b>Total Rate Year 2 Results</b>		<b>(3,432)</b>	<b>67,550</b>	<b>10,962</b>	<b>(547)</b>	<b>4,521</b>	<b>1,157</b>
			<b>Filed</b>	<b>At AWEC</b>	<b>ROR</b>			
			<b>Rev. Req.</b>	<b>ROR</b>	<b>Impact</b>			
<b>Year 1</b>			43,830	36,249	(7,581)			
<b>Year 2</b>			11,669	10,962	(707)			

Natural Gas Revenue Requirement Summary (\$000)

Line	Adj. No.	Description	Impact of AWEC Adjustments			Rev. Req. Def. / (Suf.)	AWEC Position
			Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base		
1	ROO	<b>Results of Operations</b>					
<i>Restating Adjustments:</i>							
2	R-1	Remove Supplemental Schedules Adjustment	-	-	-	-	
3	R-2	Normalize Revenue Adjustment	-	-	-	-	
4	R-3	Restate End of Period Adjustment	-	-	-	-	
5	R-4	Annualized CRM Adjustment	-	-	-	-	
6	R-5	Promotional Advertising Adjustment	-	-	-	-	
7	R-6	Restate Wages Adjustment	-	-	-	-	
8	R-7	Restate Incentives Adjustment	-	-	-	-	
9	R-8	Director & Officers Adjustment	159	126	-	(167)	Oppose
10	R-9	Restate COVID-19 Deferral Offsets Adjustme	-	-	-	-	
11	R-10	Restate CCA Labor Expense Adjustment	-	-	-	-	
12	R-11	Restate Commission Fees Adjustment	-	-	-	-	
13	R-12	Legal Expenses	385	304	-	(404)	Propose
		<i>Sub-total Restating</i>	<u>544</u>	<u>430</u>	<u>-</u>	<u>(572)</u>	
<i>Rate Year 1 PF Adjustments:</i>							
14	P-1	Interest Coordination Adjustment	-	-	-	-	
15	P-2	2024 Pro Forma Wage Adjustment	1,420	1,122	-	(1,494)	Oppose
16	P-3	MAOP Deferral Amortization	-	-	-	-	
17	P-4	Pro Forma Rate Case Expense Adjustment	1,450	1,146	-	(1,525)	Oppose
18	P-5	Pro Forma Medical, Dental, & Life Insurance l	-	-	-	-	
19	P-6	Pro Forma Property Tax Adjustment	-	-	-	-	
20	P-7	2024 Pro Forma Pension Expense Adjustment	653	516	-	(686)	
21	P-8	2024 Pro Forma Tax Flow-Through Adjustme	-	-	-	-	
22	P-9	2024 Pro Forma Misc. O&M Expense Adjustn	193	152	-	(203)	Oppose
23	PR- 1	2024 Provisional Plant Additions	1,624	1,283	(86,534)	(9,898)	Oppose
24	PR - 2	2024 Offsets to Provisional Plant Additions	-	-	-	-	
		<i>Sub-total Pro Forma Year 1</i>	<u>5,340</u>	<u>4,218</u>	<u>(86,534)</u>	<u>(13,805)</u>	
		<b>Total Rate Year 1</b>	<u><b>5,883</b></u>	<u><b>4,648</b></u>	<u><b>(86,534)</b></u>	<u><b>(14,377)</b></u>	
<i>Rate Year 2 PF Adjustments:</i>							
25	RY2-X	<i>Rate Year 1 Revenue Increase</i>	(5,883)	(4,648)	86,534	14,377	
26	PR - 3	2025 Provisional Plant Additions	-	-	-	-	
27	PR - 4	2025 Offsets to Provisional Plant Additions	2,122	1,676	(63,029)	(8,197)	Oppose
28	PR - 5	2025 Pro Forma Wage Adjustment	569	449	-	(598)	Oppose
29	PR - 6	2025 Pro Forma Pension Expense Adjustment	765	604	-	(804)	
30	PR - 7	2025 Pro Forma 401K Expense Adjustment	-	-	-	-	
31	PR - 8	2025 Pro Forma Tax Flow-Through Adjustme	-	-	-	-	
32	PR - 9	2025 Pro Forma Decarbonization Testing & D	-	-	-	-	
33	PR - 10	2025 Pro Forma Misc. O&M Expense Adjustn	196	155	-	(206)	Oppose
		<i>Sub-total Rate Year 2 Results</i>	<u>3,652</u>	<u>2,885</u>	<u>(63,029)</u>	<u>(9,806)</u>	
34		<b>Total Rate Year 2 Results</b>	<u><b>3,652</b></u>	<u><b>2,885</b></u>	<u><b>(63,029)</b></u>	<u><b>(9,806)</b></u>	

Year 1  
 Year 2

Natural Gas Revenue Requirement With AWEC Adjustment Detail (\$000)

Line	Adj. No.	Sub No.	Description	Cascade Filed @ AWEC RoR			AWEC Proposed		
				Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)	Net Oper. Income	Rate Base	Rev. Req. Def. / (Suf.)
1	ROO		<b>Results of Operations</b>	<b>32,434</b>	<b>583,521</b>	<b>12,040</b>	<b>\$32,434</b>	<b>583,521</b>	<b>12,040</b>
<i>Restating Adjustments:</i>									
2	R-1		Remove Supplemental Schedules Adjustment	252	-	(336)	252	-	(336)
3	R-2		Normalize Revenue Adjustment	(1,333)	-	1,774	(1,333)	-	1,774
4	R-3		Restate End of Period Adjustment	(630)	35,820	4,229	(630)	35,820	4,229
5	R-4		Annualized CRM Adjustment	1,376	-	(1,832)	1,376	-	(1,832)
6	R-5		Promotional Advertising Adjustment	29	-	(38)	29	-	(38)
7	R-6		Restate Wages Adjustment	(76)	-	101	(76)	-	101
8	R-7		Restate Incentives Adjustment	2,022	-	(2,692)	2,022	-	(2,692)
9	R-8		Director & Officers Adjustment	127	-	(169)	127	-	(169)
10	R-8	1	Director & Officers Adjustment	-	-	-	126	-	(167)
11	R-9		Restate COVID-19 Deferral Offsets Adjustment	(1,142)	-	1,520	(1,142)	-	1,520
12	R-10		Restate CCA Labor Expense Adjustment	(54)	-	72	(54)	-	72
13	R-11		Restate Commission Fees Adjustment	(288)	-	384	(288)	-	384
14	R-12		Legal Expenses	-	-	-	304	-	(404)
			<i>Sub-total Restating</i>	<i>283</i>	<i>35,820</i>	<i>3,013</i>	<i>713</i>	<i>35,820</i>	<i>2,441</i>
<i>Rate Year 1 PF Adjustments:</i>									
15	P-1		Interest Coordination Adjustment	(983)	-	1,309	(983)	-	1,309
16	P-2		2024 Pro Forma Wage Adjustment	(1,207)	-	1,606	(1,207)	-	1,606
17	P-2	1	2024 Pro Forma Wage Adjustment	-	-	-	1,122	-	(1,494)
18	P-3		MAOP Deferral Amortization	(1,594)	-	2,123	(1,594)	-	2,123
19	P-4		Pro Forma Rate Case Expense Adjustment	(1,044)	-	1,390	(1,044)	-	1,390
20	P-4	1	Pro Forma Rate Case Expense Adjustment	-	-	-	1,146	-	(1,525)
21	P-5		Pro Forma Medical, Dental, & Life Insurance Ex	(840)	-	1,118	(840)	-	1,118
22	P-6		Pro Forma Property Tax Adjustment	(159)	-	212	(159)	-	212
23	P-7		2024 Pro Forma Pension Expense Adjustment	(653)	523	918	(137)	523	232
24	P-8		2024 Pro Forma Tax Flow-Through Adjustment	(9)	-	12	(9)	-	12
25	P-9		2024 Pro Forma Misc. O&M Expense Adjustme	(173)	-	230	(173)	-	230
26	P-9	1	2024 Pro Forma Misc. O&M Expense Adjustme	-	-	-	152	-	(203)
27	PR- 1		2024 Provisional Plant Additions	(3,201)	104,551	14,156	(3,201)	104,551	14,156
28	PR- 1	1	Remove RNG	-	-	-	130	(8,191)	(948)
29	PR- 1	2	Discrete Capital Adjustments	-	-	-	644	(44,488)	(5,067)
30	PR- 1	3	Run Rate Capital Adjustments	-	-	-	510	(16,546)	(2,245)
31	PR- 1	4	Accumulated Depreciation	-	-	-	-	(17,309)	(1,638)
32	PR - 2		2024 Offsets to Provisional Plant Additions	1,411	-	(1,879)	1,411	-	(1,879)
			<i>Sub-total Pro Forma Year 1</i>	<i>(8,452)</i>	<i>105,074</i>	<i>21,197</i>	<i>(4,234)</i>	<i>18,540</i>	<i>7,391</i>
			<b>Total Rate Year 1</b>	<b>24,265</b>	<b>724,415</b>	<b>36,249</b>	<b>28,913</b>	<b>637,881</b>	<b>21,872</b>
<i>Rate Year 2 PF Adjustments:</i>									
33	RY2-X		Rate Year 1 Revenue Increase	(24,265)	(724,415)	(36,249)	(28,913)	(637,881)	(21,872)
34	PR - 3		2025 Provisional Plant Additions	(3,217)	68,185	10,736	(3,217)	68,185	10,736
35	PR - 4		2025 Offsets to Provisional Plant Additions	1,897	-	(2,526)	1,897	-	(2,526)
36	PR - 4	1	Remove RNG	-	-	-	725	(17,760)	(2,645)
37	PR - 4	2	Discrete Capital Adjustments	-	-	-	405	(26,208)	(3,020)
38	PR - 4	3	Run Rate Capital Adjustments	-	-	-	547	(18,226)	(2,453)
39	PR - 4	4	Accumulated Depreciation	-	-	-	-	(835)	(79)
40	PR - 5		2025 Pro Forma Wage Adjustment	(802)	-	1,068	(802)	-	1,068
41	PR - 5	1	2025 Pro Forma Wage Adjustment	-	-	-	449	-	(598)
42	PR - 6		2025 Pro Forma Pension Expense Adjustment	(765)	(635)	958	(161)	(635)	154
43	PR - 7		2025 Pro Forma 401K Expense Adjustment	(96)	-	127	(96)	-	127
44	PR - 8		2025 Pro Forma Tax Flow-Through Adjustment	2	-	(2)	2	-	(2)
45	PR - 9		2025 Pro Forma Decarbonization Testing & Den	(277)	-	368	(277)	-	368
46	PR - 10		2025 Pro Forma Misc. O&M Expense Adjustme	(175)	-	233	(175)	-	233
47	PR - 10	1	2025 Pro Forma Misc. O&M Expense Adjustme	-	-	-	155	-	(206)
48			<b>Total Rate Year 2 Results</b>	<b>(3,432)</b>	<b>67,550</b>	<b>10,962</b>	<b>(547)</b>	<b>4,521</b>	<b>1,157</b>

	Filed Rev. Req.	At AWEC ROR	ROR Impact
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Year 2	11,669	10,962	(707)

## Natural Gas Revenue Requirement With AWEC Adjustment Detail

Line	Adj. No.	Sub No.	Description	Impact of AWEC Adjustments			AWEC Position
				Pre-Tax Net Oper. Income	Net Oper. Income	Rate Base	
1	ROO		<b>Results of Operations</b>				
<i>Restating Adjustments:</i>							
2	R-1		Remove Supplemental Schedules Adjustment	-	-	-	-
3	R-2		Normalize Revenue Adjustment	-	-	-	-
4	R-3		Restate End of Period Adjustment	-	-	-	-
5	R-4		Annualized CRM Adjustment	-	-	-	-
6	R-5		Promotional Advertising Adjustment	-	-	-	-
7	R-6		Restate Wages Adjustment	-	-	-	-
8	R-7		Restate Incentives Adjustment	-	-	-	-
9	R-8		Director & Officers Adjustment	-	-	-	Oppose
10	R-8	1	Director & Officers Adjustment	159	126	-	(167) Propose
11	R-9		Restate COVID-19 Deferral Offsets Adjustment	-	-	-	-
12	R-10		Restate CCA Labor Expense Adjustment	-	-	-	-
13	R-11		Restate Commission Fees Adjustment	-	-	-	-
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			<i>Sub-total Restating</i>	<u>544</u>	<u>430</u>	<u>-</u>	<u>(572)</u>
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26	P-9	1	2024 Pro Forma Misc. O&M Expense Adjustm	193	152	-	(203) Propose
27	PR- 1		2024 Provisional Plant Additions	-	-	-	Oppose
28	PR- 1	1	Remove RNG	164	130	(8,191)	(948) Propose
29	PR- 1	2	Discrete Capital Adjustments	815	644	(44,488)	(5,067) Propose
30	PR- 1	3	Run Rate Capital Adjustments	646	510	(16,546)	(2,245) Propose
31	PR- 1	4	Accumulated Depreciation	-	-	(17,309)	(1,638) Propose
32	PR - 2		2024 Offsets to Provisional Plant Additions	-	-	-	-
			<i>Sub-total Pro Forma Year 1</i>	<u>5,340</u>	<u>4,218</u>	<u>(86,534)</u>	<u>(13,805)</u>
			<b>Total Rate Year 1</b>	<u><b>5,883</b></u>	<u><b>4,648</b></u>	<u><b>(86,534)</b></u>	<u><b>(14,377)</b></u>
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45	PR - 9		2025 Pro Forma Decarbonization Testing & De	-	-	-	-
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47	PR - 10	1	2025 Pro Forma Misc. O&M Expense Adjustm	196	155	-	(206) Propose
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Year 1  
Year 2